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KA SHUI INTERNATIONAL HOLDINGS LIMITED

嘉瑞國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 822)

DISCLOSEABLE TRANSACTION — ACQUISITION OF MINORITY INTEREST IN A SUBSIDIARY

THE ACQUISITION

On 17 March 2026 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor for the acquisition of 40% equity interest in the Target at a total cash consideration of RMB14.3 million.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio under the Listing Rules in relation to the Acquisition exceeds 5% but is under 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE ACQUISITION

On 17 March 2026 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to acquire 40% of equity interest in the Target, at a total cash consideration of RMB14.3 million. If the Acquisition materializes, upon Completion, the Target will become an indirect wholly-owned subsidiary of the Company.

THE PRINCIPAL TERMS OF THE AGREEMENT

Date: 17 March 2026 (after trading hours)

Parties:

1. 佳縣眾拓匯鑫科技有限公司 (Jiexian Zhongtuo Huixin Technology Co., Ltd.*) as Vendor;
2. Ka Shui Metal Company Limited (嘉瑞金屬有限公司) as Purchaser.

Assets to be acquired

40% equity interest in the Target, held by the Vendor.

Consideration

The consideration for the Acquisition is RMB14.3 million in cash to be paid within 30 days after completion of the registration of the transfer of equity interest to the Purchaser at the relevant Administration for Industry and Commerce.

Basis for determination of consideration

The consideration of RMB14.3 million was determined after arm's length negotiations between the Purchaser and the Vendor with reference to (i) the unaudited net assets value of the Target as at 31 December 2025 of approximately RMB31.4 million, (ii) the Vendor's 40% shareholding in the Target; and (iii) plus a sum of approximately RMB1.74 million representing the Vendor's share of certain unpaid government subsidy to the Target and the Purchaser's share of certain costs of the Target due to the Vendor. The consideration will be financed by the Group's internal resources. Both the Vendors and the Purchaser shall bear their respective costs in relation to the transfer of equity interest in the Target in equal shares.

The Directors consider that the consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Completion of the Agreement shall be conditional upon:

- (a) both the Vendor and the Purchaser have obtained all necessary consents and approvals for the Agreement and the transactions contemplated thereunder;
- (b) a related company of the Vendor and the Target have entered into an agreement for the long-term continuous supply of crude magnesium and raw coal gas to the Target;
- (c) the Vendor has not breached any of its obligations under the Agreement or any other relevant transaction document in any material respect;
- (d) all representations and warranties under the Agreement are true and accurate in all material respects and will remain true and accurate until the completion of the equity interest transfer.

Completion

The Vendor undertakes to assist the Purchaser in completing the registration procedure for change of equity interest at the Administration for Industry and Commerce in the PRC as soon as possible in accordance with the Agreement.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Board considers that full ownership after acquisition will provide the Group with complete management autonomy, enabling faster decision making and accelerated trial and commercialization of newly developed magnesium alloys with flame retardant, corrosion resistant and high thermal conductivity characteristics for manufacturing at Target.

The acquisition also positions Target to respond more effectively to growing market demand for magnesium alloys driven by cost advantages over aluminum and regulatory shifts away from plastics, while leveraging its existing die casting capacity and the lower energy and competitive raw material costs in the North West China to offer integrated magnesium alloy and die casting solutions to customers. In the long run, we would expand our business to cover the entire North West region in China.

The Directors are of the view that the terms and conditions of the Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP

The Group is principally engaged in the manufacture and sale of zinc, magnesium and aluminium alloy and plastic products and components, trading of lighting products, provision of motor vehicle repairing services, sales of special purpose vehicles, provision of new energy vehicle power systems and production of smart home and other products.

INFORMATION ON VENDOR AND THE TARGET

The Vendor is an investment company. The ultimate beneficial owners of the Vendor are Zhang Zhenping (張振平) and Yang Wendi (楊文帝). The Vendor is a substantial shareholder of the Target which is an indirect non-wholly owned subsidiary of the Company. However, the Target is an insignificant subsidiary within the meaning of Rule 14A.09 of the Listing Rules. Hence, to the best of the Directors' knowledge, information and belief, and after making all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties.

The Target is a company incorporated under the laws of the PRC and is an indirect non-wholly owned subsidiary of the Company of which the Purchaser holds 60% and the Vendor holds 40% equity interest. It is principally engaged in the manufacture and sales of metallic materials in the PRC.

Set out below is the financial information of the Target extracted from the unaudited financial statements of the Target for the year ended 31 December 2024 and 31 December 2023:

	For the year ended 31 December 2024 (RMB '000)	For the year ended 31 December 2023 (RMB '000)
Loss before taxation	2,439	2,318
Loss after taxation	2,439	2,318

The net assets of the Target as at 31 December 2025 was approximately RMB31.4 million.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio under the Listing Rules in relation to the Acquisition exceeds 5% but is under 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and phrases have the following meanings:

“Acquisition”	the acquisition of 40% equity interest in the Target by the Purchaser pursuant to the Agreement
“Agreement”	the sale and purchase agreement dated 17 March 2026 made between the Vendor and the Purchaser relating to the sale and purchase of 40% equity interest in the Target
“Board”	the Board of directors of the Company
“Company”	Ka Shui International Holdings Limited (嘉瑞國際控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on Main Board of the Stock Exchange (stock code: 822)
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a third party independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China, which for the purpose of this announcement only excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Ka Shui Metal Company Limited (嘉瑞金屬有限公司), a limited liability company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“Target”	嘉鎂新材料科技(榆林)有限公司 (Kamay New Material Technology (Yulin) Company Limited*), a limited liability company incorporated in the PRC
“Vendor”	佳縣眾拓匯鑫科技有限公司 (Jiaxian Zhongtuo Huixin Technology Co., Ltd.*), a limited liability company incorporated in the PRC
“%”	per cent.

By order of the Board
Ka Shui International Holdings Limited
Lee Yuen Fat
Chairman and Chief Executive Officer

Hong Kong, 17 March 2026

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Lee Yuen Fat, Mr. Wong Wing Chuen, Ms. Chan So Wah and Ir. Chan Sin Wing and four independent non-executive directors, namely Professor Sun Kai Lit, Cliff BBS, JP, Ir. Dr. Lo Wai Kwok GBS, MH, JP, Mr. Kong Kai Chuen, Frankie and Mr. Tang Koon Yiu, Thomas.

** For identification purpose only*